APPENDIX A

The Income Tax Act [of Canada], S.C. 1970-71-72, c. 63, as amended and in effect on January 1, 1977:

SEC. 212(2). TAX ON DIVIDENDS.

Every non-resident person shall pay an income tax of 25% on every amount that a corporation resident in Canada pays or credits, or is deemed by Part I to pay or credit, to him as, on account or in lieu of payment of, or in satisfaction of a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4), 131(1) or 133(7.1)) or a capital dividend.

SEC. 215(1). DEDUCTION AND PAYMENT OF TAX.

When a person pays or credits or is deemed to have paid or credited an amount on which an income tax is payable under this Part, he shall, notwithstanding any agreement or any law to the contrary, deduct or withhold therefrom the amount of the tax and forthwith remit that amount to the Receiver General on behalf of the nonresident person on account of the tax and shall submit therewith a statement in prescribed form.

Einkommensteuergesetz (EStG) [Income Tax Law of West Germany], *Tax Laws of the World, West Germany* (Foreign Tax Law Association, Inc. 1980):

ARTICLE 20.

(1) To income from capital assets belong:

1. Profit shares (dividends), interest, gains and similar amounts from stocks, mining shares, participation certificates with the rights of profit sharing and of participating in liquidation proceeds of a corporation, shares in limited liability companies, in industrial and commercial coopera-

tives, colonial companies and mining associations which have the status of juristic persons.

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ARTICLE 43. Capital Receipts Subject to Tax Deduction.

(1) In the case of the following capital receipts within the country, the income tax is collected by means of deduction on the capital receipt (Capital Receipts Tax):

1. Profit shares (dividends), interest, gains and similar receipts from stocks, mining shares, participation shares, shares in limited liability companies, in cooperative associations and agricultural associations, and colonial companies, from shares in the Reichs bank, and in mining associations which have the character of a juristic person. In this class belong profit shares and other receipts in the sense of Article 3b, and not interest from commercial loans, to the extent that they fall under numeral 3 or 5;

ARTICLE 44.

(1) The creditor is the tax debtor in the case of tax deduction on capital receipts (Capital Receipts Tax). The debtor of the capital receipts, however, is liable for the withholding and retention of the capital receipts tax....

• • • • •

ARTICLE 49. Income Subject to Limited Tax Liability.

(1) Domestic income in the sense of limited tax liability is the following:

• • • • •

5. Receipts from capital assets in the sense of Article 20, paragraph 1, numerals 1, 2, 4, 6 and 7, if the debtor has a residence, place of business, or

domicile within national territory, and receipts in the sense of Article 20, paragraph 1, numerals 5 and 8, if the capital assets are protected directly or indirectly by domestic national law, by domestic legal right, which lies under the provisions of the civil law on real property.

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Korperschaftsteuergesetz (KStG) [Corporation Tax Law of West Germany] H. Ault and A. Radler, *The German Corporation Tax Reform Law* (1977).

ARTICLE 50. Special Provisions for the Withholding of Tax on Capital Yields.

• • • • •

(2) Corporation tax on those categories of income which are subject to withholding tax is satisfied by such withholding tax.

• • • • •

2. if the recipient of the income is subject to limited tax liability and the income is not attributable to a domestic commercial or agricultural establishment . . .

Income Tax Law of Mexico*

CHAPTER II

TAX ON INCOME FROM CAPITAL INVESTMENTS AND OTHER INCOME.*

ARTICLE 60. [Income subject to tax.] The tax referred to in this chapter is imposed on any receipts in cash or in kind derived from the following:

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* These statutes were excerpted from the Commerce Clearing House Spanish-English Edition of the Mexican Income and Commercial Receipts Tax Law effective January 1, 1977.

V. Income from profits distributed by all kinds of legal entities or enterprises who are not individuals, which are established in Mexico, and from profits which should be distributed by such legal entities or enterprises when they discontinue and liquidate their business or businesses and by branches or agencies of foreign entities established in Mexico.

ARTICLE 61. [Persons subject to tax.] The tax on income from capital investments and other income is imposed on the persons receiving the income described in the preceding article notwithstanding any agreement or pact to the contrary.

* * * * *

ARTICLE 73. [Income from company distributions.] The tax to which paragraph V of Article 60 refers is imposed:

I. In the case of all Mexican corporations and entities:

a). On the distributed profits;

* * * * *

ARTICLE 74. [Rates.] The tax to which paragraphs I, III and IV of the preceding article refer is the amount resulting from applying to the taxable income the 15% rate when the tax rules for nominative securities apply and the 21% rate when the rules for bearer securities apply. The tax shall not be imposed when the same person receiving the profit or dividend reinvests such amount for the subscription and payment of new capital in the same company within thirty days following the distribution; but if the company is liquidated or its capital is reduced through reimbursement to the partners, the tax shall be imposed.

* * * * *

The payor of the income tax by this article must withhold the tax and furnish the information required by the Ministry of Finance and Public Credit using the proper official forms. The withholding relating to securities which have been subject to tax under the rules that apply to bearer securities shall be considered the final payment.

APPENDIX B

Internal Revenue Code of 1954 (26 U.S.C.):

SEC. 78. DIVIDENDS RECEIVED FROM CERTAIN FOREIGN CORPORATIONS BY DOMESTIC CORPORATIONS CHOOSING FOREIGN TAX CREDIT.

If a domestic corporation chooses to have the benefits of subpart A of part III of subchapter N (relating to foreign tax credit) for any taxable year, an amount equal to the taxes deemed to be paid by such corporation under section 902(a) (relating to credit for corporate stockholder in foreign corporation) or under section 960(a)(1) (relating to taxes paid by foreign corporation) for such taxable year shall be treated for purposes of this title (other than section 245) as a dividend received by such domestic corporation from the foreign corporation.

SEC. 901. TAXES OF FOREIGN COUNTRIES AND OF POSSESSIONS OF UNITED STATES.

(a) ALLOWANCE OF CREDIT. If the taxpayer chooses to have the benefits of this subpart, the tax imposed by this chapter shall, subject to the limitation of section 904, be credited with the amounts provided in the applicable paragraph of subsection (b) plus, in the case of a corporation, the taxes deemed to have been paid under sections 902 and 960. Such choice for any taxable year may be made or changed at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter for such taxable year. The credit shall not be allowed against the tax imposed by section 56 (relating to minimum tax for tax preferences), against the tax imposed for the taxable year under section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), against the tax imposed

by section 402(e) (relating to tax on lump sum distributions), against the tax imposed for the taxable year by section 408(f) (relating to additional tax on income from certain retirement accounts), against the tax imposed by section 531 (relating to the tax on accumulated earnings), against the additional tax imposed for the taxable year under section 1351 (relating to recoveries of foreign expropriation losses), or against the personal holding company tax imposed by section 541.

SEC. 902. CREDIT FOR CORPORATE STOCKHOLDER IN FOREIGN CORPORATION.

(a) TREATMENT OF TAXES PAID BY FOREIGN CORPORATION.—For purposes of this subpart, a domestic corporation which owns at least 10 percent of the voting stock of a foreign corporation from which it receives dividends in any taxable year shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such foreign corporation to any foreign country or to any possession of the United States, on or with respect to the accumulated profits of such foreign corporation from which such dividends were paid, which the amount of such dividends (determined without regard to section 78) bears to the amount of such accumulated profits in excess of such income, war profits, and excess profits taxes (other than those deemed paid).

APPENDIX C

U.S. Income Tax Conventions Providing for Relief from Double Taxation by Allowance of a Credit to a Resident Taxpayer for Taxes Paid to the Source Nation:

A. Ratified Income Tax Conventions between the United States and:

Australia (Art. XV), May 14, 1953, 4 U.S.T. 2274, T.I.A.S. No. 2880; Austria (Art. XV), Oct. 25, 1956, 8 U.S.T. 1699, T.I.A.S. No. 3923; Belgium (Art. 23), July 9, 1970, 23 U.S.T. 2687, T.I.A.S. No. 7463; Canada (Art. XV), June 12, 1950, 2 U.S.T. 2235, T.I.A.S. No. 2347; Denmark (Art. XV), May 6, 1948, 62 Stat. 1730, T.I.A.S. No. 1854; Finland (Art. 5), Mar. 6, 1970, 22 U.S.T. 40, T.I.A.S. No. 7042; France (Art. 23), July 28, 1967, 19 U.S.T. 5280, T.I.A.S. No. 6518, as amended, Nov. 24, 1978, 30 U.S.T. 5110, T.I.A.S. No. 9500; West Germany (Art. XV), July 22, 1954, 5 U.S.T. 2768, T.I.A.S. No. 3133, as amended, Sept. 17, 1965, 16 U.S.T. 1875, T.I.A.S. No. 5920; Greece (Art. XIV), Feb. 20, 1950, 5 U.S.T. 47, T.I.A.S. No. 2902; Hungary (Art. 20), Feb. 12, 1979, 30 U.S.T. 6357, T.I.A.S. No. 9560; Iceland (Art. 5), May 7, 1975, 26 U.S.T. 2004, T.I.A.S. No. 8151; Ireland (Art. XIII), Sept. 13, 1949, 2 U.S.T. 2303, T.I.A.S. No. 2356; Italy (Art. XV), Mar. 30, 1955, 7 U.S.T. 2999, T.I.A.S. No. 3679; Japan (Art. 5), Mar. 8, 1971, 23 U.S.T. 967, T.I.A.S. No. 7365; Korea (Art. 5), June 4, 1976, 30 U.S.T. 5253, T.I.A.S. No. 9506; Luxembourg (Art. XVI), Dec. 18, 1962, 15 U.S.T. 2355, T.I.A.S. No. 5726; Netherlands (Art. XIX), April 29, 1948, 62 Stat. 1757, T.I.A.S. No. 1855, as amended, Dec. 30, 1965, 17 U.S.T. 896, T.I.A.S. No. 6051; New Zealand (Art. XIII), Mar. 16, 1948, 2 U.S.T. 2378, T.I.A.S. No. 2360; Norway (Art. 23), Dec. 3, 1971, 23 U.S.T. 2832, T.I.A.S. No. 7474; Pakistan (Art. XV), July 1, 1957, 10 U.S.T. 984, T.I.A.S. No. 4232; Poland (Art. 20), Oct. 8, 1974, 28 U.S.T. 891,

T.I.A.S. No. 8486; Romania (Art. 21), Dec. 4, 1973, 27 U.S.T. 165, T.I.A.S. No. 8228; Sweden (Art. XIV), Mar. 23, 1939, 54 Stat. 1759, T.I.A.S. No. 958, as amended, Oct. 22, 1963, 15 U.S.T. 1824, T.I.A.S. No. 5656; Switzerland (Art. XV), May 24, 1951, 2 U.S.T. 1751, T.I.A.S. No. 2316; Trinidad and Tobago (Art. 4), Jan. 9, 1970, 22 U.S.T. 164, T.I.A.S. No. 7047; Union of South Africa (Art. IV), Dec. 13, 1946, 3 U.S.T. 3821, T.I.A.S. No. 2510; United Kingdom (Art. 23), Dec. 31, 1975, —— U.S.T. ——, T.I.A.S. No. 9682.

B. Pending Income Tax Conventions between the United States and:

Argentina (Art. 23), May 7, 1981; Bangladesh (Art. 22), Oct. 6, 1980; Brazil (Art. 4), Mar. 13, 1967; British Virgin Islands (Art. 22), Feb. 18, 1981; Cyprus (Art. 5), Mar. 26, 1980; India (Art. XII), Nov. 10, 1959; Israel (Art. 26), Nov. 20, 1975; Jamaica (Art. 24), May 21, 1980; Malta (Art. 24), Mar. 21, 1980; Morocco (Art. 21), Aug. 1, 1977; Philippines (Art. 23), Oct. 1, 1976; Thailand (Art. 22), Mar. 1, 1965; United Arab Republic (Art. 25), Aug. 24, 1980. The pending conventions may be found in Volumes 1 and 2 of the Commerce Clearing House Tax Treaties looseleaf service.

APPENDIX D

Appendix F to Jurisdictional Statement in *Mobil Oil Corp.* v. *Commissioner of Taxes of Vermont*, 445 U.S. 425 (1980)

Appendix F

ALLOCATION OR APPORTIONMENT OF DIVIDENDS INCLUDED IN THE TAX BASE *

State [1]	All Taxable Dividends Allocated to Commercial Domicile	Non-Business Dividends Allocated to Commercial Domicile and Business Dividends Apportioned	All Taxable Dividends Apportioned
Alabama		X	
Alaska		X	
Arizona	X		
Arkansas		X	
California	X		
Colorado		X	
Delaware			X
District of Columbia		X	
Hawaii		X	
Idaho		X	
Illinois		X	
Indiana		X	

* This table includes only jurisdictions which include foreign source dividends, in part or in whole, in the tax base. Georgia, Florida and Ohio have been omitted because foreign source dividends are not taxable (Ga. Code § 92-3102, CCH 10-512, 11-512), or they are taxable only if the payor transacts a substantial portion of its business, or has a substantial portion of its assets in the United States (Fla. Stat. § 220.13, CCH 10-310), or has physical assets located in the State (Ohio Rev. Code Ann. § 5733, CCH 10-309, 336, 378, 11-425).

[1] Ala. Code Tit. 40, § 40-18-34, CCH 10-535, 15-090; Alaska Stat. §§ 43.19.010, 43.20.065, CCH 12-417, 418; Ariz. Rev. Stat. § 43-135(g), CCH 12-405; Ark Stat. Ann. §§ 84-2055(a), 2058, 2061,

State [1]	All Taxable Dividends Allocated to Commercial Domicile	Non-Business Dividends Allocated to Commercial Domicile and Business Dividends Apportioned	All Taxable Dividends Apportioned
Kansas		X	
Louisiana	X		
Maine		X	
Maryland			X
Massachusetts			X
Minnesota	X		
Mississippi	X		
Montana		X	
Nebraska		X	

2063, CCH 11-537, 572; Cal. Rev. & Tax. Code, § 25126, CCH 12-428; Colo. Rev. Stat. § 24-60-1301, CCH 12-538; Del. Code Tit. 30, § 1903(b)(6), CCH 10-840; D.C. Code § 47-1580(a), CCH 12-405, 413; Haw. Rev. Stat. §§ 235-22, 27, 29, CCH 12-530, 540; Idaho Code § 63-3027(g), (i), CCH 12-490, 510; Ill. Rev. Stat. Ch. 20, § 301, 304, CCH 90-907, 916; Ind. Code Ann. § 6-3-2-2, CCH 12-405, 415, 448; Kan. Stat. §§ 79-3274, 3277, 3279, CCH 12-478, 490; La. Rev. Stat. Ann. § 243, CCH 12-411; Me. Rev. Stat. Tit. 36, §§ 5211(6), (8), CCH 12-460, 465; Md. Ann. Code Art. 81, § 316 (c), CCH 12-410, 420; Mass. Gen. Laws Ann. Ch. 63, § 38(a) (1), (c) CCH 10-324, 330; Minn. Stat. § 290.17, CCH 12-407; Miss. Code Ann. § 27-7-23(1)(a); Miss. Inc. Tax Reg. § 1.27-7-23(1), CCH 12-405, 407, 435; Mont. Rev. Codes Ann. § 84-1503, CCH 11-501(c), (f), (h); Neb. Rev. Stat. § 77-2735(4), 2741, 2743, CCH 12-425, 445, 455; N.H. Rev. Stat. Ann. § 77-A:3, CCH 15-350, 355; N.J. Rev. Stat. § 54:10A-6, CCH 5-805, 810; N.M. Stat. Ann. §§ 72-15A-20, 23, CCH 12-425, 455, 465; N.C. Gen. Stat. § 105-130.4(c), (f), (i), CCH 10-805, 820; N.D. Cent. Code § 57-38.1, CCH 12-454, 460, 464; Okla. Stat. Tit. 68, § 2358A, CCH 12-425; Or. Rev. Stat. § 314.625, 640, 650, CCH 12-414, 418, 422; R.I. Gen. Laws § 44-11-14, CCH 10-810; S.C. Code § 12-7-1120, CCH 12-435; Tenn. Code Ann. § 67-2709, 2712, 2714, CCH 12-419, 425, 429; Utah Code Ann. § 59-13-81, 84, 86, CCH 11-515, 530, 540; Vt. Stat. Ann. Tit. 32, § 5833(a), CCH 12-410; Wis. Stat. Ann. § 71.07 (1m) (2), CCH 12-404(a), 409. All CCH references are to the relevant paragraphs in the Commerce Clearing House, Inc. State Tax Reporter Service.

State [1]	All Taxable Dividends Allocated to Commercial Domicile	Non-Business Dividends Allocated to Commercial Domicile and Business Dividends Apportioned	All Taxable Dividends Apportioned
New Hampshire			X
New Jersey			X
New Mexico		X	
North Carolina		X	
North Dakota		X	
Oklahoma	X		
Oregon		X	
Rhode Island			X
South Carolina	X		
Tennessee		X	
Utah		X	
Vermont			X
Wisconsin			X
Total [2]	7	19	8

[2] Four States that tax foreign source dividends have been omitted from the table because their methods of allocation or apportionment do not fit into the scheme used by most States.

Connecticut: Allocates dividends from subsidiaries by reference to the ratio of the payor's business done in the State; nonsubsidiary dividends are apportioned if they constitute an integral part of the recipient's regular business operations (Conn. Gen. Stat. § 12-218, CCH 10-815, 825).

Iowa: There appears to be a conflict between the statute and the rules as to the extent to which dividends are allocated or apportioned (Iowa Code § 422.33, CCH 12-520; Iowa Rule 54.2(1), CCH 12-522).

New York: Includes in the tax base only non-subsidiary dividends (to the extent of 50%), which it allocates in the ratio of the payor's New York apportionment percentages (N.Y. Tax Law § 210, CCH 5-829—841, 9-581).

Virginia: Dividends of non-subsidiaries are allocated to the State if it is the recipient's commercial domicile; dividends paid by subsidiaries are apportioned (Va. Code § 58-151.040, CCH 12-445).